

# SENATE BILL 329

P6

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By: **Senator Jackson**

Introduced and read first time: January 15, 2025

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System – Benefits**

3 FOR the purpose of clarifying that a member of the Law Enforcement Officers' Pension  
4 System is not required to make member contributions after accruing a certain  
5 amount of service credit; altering the method for calculating the retirement  
6 allowance for certain retirees of the Law Enforcement Officers' Pension System for  
7 service earned on or after a certain date; altering the maximum service retirement  
8 allowance that certain retirees of the Law Enforcement Officers' Pension System  
9 may receive; clarifying the eligibility requirement of certain Law Enforcement  
10 Officers' Pension System members in the Deferred Retirement Option Program; and  
11 generally relating to the Law Enforcement Officers' Pension System.

12 BY repealing and reenacting, with amendments,  
13 Article – State Personnel and Pensions  
14 Section 26–204(a), 26–401(b), and 26–401.1(a), (c), and (d)  
15 Annotated Code of Maryland  
16 (2024 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – State Personnel and Pensions  
19 Section 26–401.1(b)  
20 Annotated Code of Maryland  
21 (2024 Replacement Volume and 2024 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
23 That the Laws of Maryland read as follows:

24 **Article – State Personnel and Pensions**

25 26–204.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) Except as provided in subsection (b) of this section, a member's  
2 contribution rate is:

3 (i) 4% of the member's earnable compensation received before July  
4 1, 2011;

5 (ii) 6% of the member's earnable compensation received from July 1,  
6 2011, to June 30, 2012, both inclusive; and

7 (iii) 7% of the member's earnable compensation received on or after  
8 July 1, 2012.

9 (2) Notwithstanding paragraph (1) of this subsection, [after 32 years and  
10 6 months of service as a member,] a member does not make any further contributions  
11 **AFTER ACCRUING THE AMOUNT OF SERVICE CREDIT THAT WOULD PROVIDE THE**  
12 **MAXIMUM NORMAL SERVICE RETIREMENT ALLOWANCE ALLOWED UNDER §**  
13 **26-401(B) OF THIS TITLE.**

14 26-401.

15 (b) (1) Except as provided in paragraphs (2), (3), and (4) of this subsection, on  
16 retirement under this section, a member is entitled to receive a normal service retirement  
17 allowance that equals:

18 **(I) the number of years of the member's creditable service ON OR**  
19 **BEFORE JUNE 30, 2025, multiplied by 2% of the member's average final compensation;**  
20 **AND**

21 **(II) THE NUMBER OF YEARS OF THE MEMBER'S CREDITABLE**  
22 **SERVICE ON OR AFTER JULY 1, 2025, MULTIPLIED BY 2.5% OF THE MEMBER'S**  
23 **AVERAGE FINAL COMPENSATION.**

24 (2) A member's normal service retirement allowance under paragraph (1)  
25 of this subsection may not exceed ~~[65%]~~ **70%** of the member's average final compensation.

26 (3) (i) This paragraph applies only to a member who is not subject to  
27 the Law Enforcement Officers' Modified Pension Benefit under Subtitle 2, Part II of this  
28 title.

29 (ii) Except as provided in paragraph (4) of this subsection, on  
30 retirement under this paragraph, the member is entitled to receive a normal service  
31 retirement allowance that equals:

32 1. 2.3% of the member's average final compensation  
33 multiplied by each year of the member's first 30 years of creditable service; and

1 2. 1% of the member's average final compensation multiplied  
2 by each year of creditable service in excess of 30 years.

3 (4) Subject to paragraph (2) of this subsection, on retirement under this  
4 section, if a member's annuity is greater than the member's normal service retirement  
5 allowance calculated under paragraph (1) or (3) of this subsection, the member's normal  
6 service retirement allowance shall equal the member's annuity.

7 26-401.1.

8 (a) (1) In this section the following words have the meanings indicated.

9 (2) "DROP" means the Deferred Retirement Option Program established  
10 under this section.

11 (3) "DROP member" means a member of the Law Enforcement Officers'  
12 Pension System who:

13 (i) is eligible to participate in the DROP as provided in subsection  
14 (c) of this section; and

15 (ii) elects to participate in the DROP as provided in subsection (e) of  
16 this section.

17 (4) **"EMPLOYMENT" MEANS EMPLOYMENT IN A POSITION ELIGIBLE**  
18 **FOR MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.**

19 (b) There is a DROP for eligible members of the Law Enforcement Officers'  
20 Pension System.

21 (c) (1) In this subsection, ["creditable service"] **"EMPLOYMENT"** does not  
22 include credit for unused sick leave as provided in § 20-206 of this article.

23 (2) A member of the Law Enforcement Officers' Pension System is eligible  
24 to participate in the DROP if the member has at least 25 and less than 32 years of  
25 [creditable service] **EMPLOYMENT**.

26 (d) (1) In this subsection, ["creditable service"] **"EMPLOYMENT"** does not  
27 include credit for unused sick leave as provided in § 20-206 of this article.

28 (2) An eligible member may elect to participate in the DROP for a period  
29 not to exceed the lesser of:

30 (i) 7 years;

1                               (ii)    the difference between 32 years and the member's [creditable  
2 service] **EMPLOYMENT** as of the date of the member's election to participate in the DROP  
3 and retire from the Law Enforcement Officers' Pension System; or

4                               (iii)   a term selected by the member.

5               SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2025.